



# **Reconciliation: Growing Canada's Economy by \$27.7 Billion**



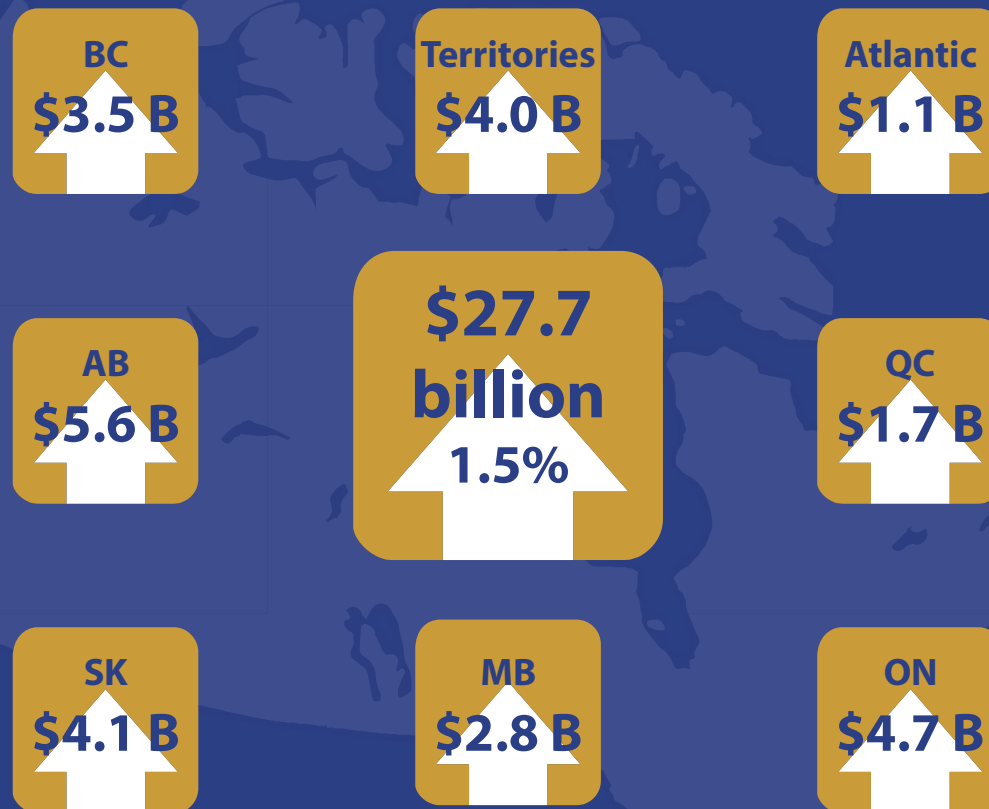
National Aboriginal  
Economic Development Board

## An Opportunity for Canada's Economy

The NAEDB has conducted an analysis on the economic loss experienced by all of Canada resulting from the gaps in economic outcomes between Indigenous people and the non-Indigenous population. The magnitude of the economic loss to Canada provides a compelling case for change.

### Closing the Productivity Gap

Closing the gap would mean an estimated increase in GDP of **\$27.7 billion** annually, or about a **1.5%** boost to the nation's economy.

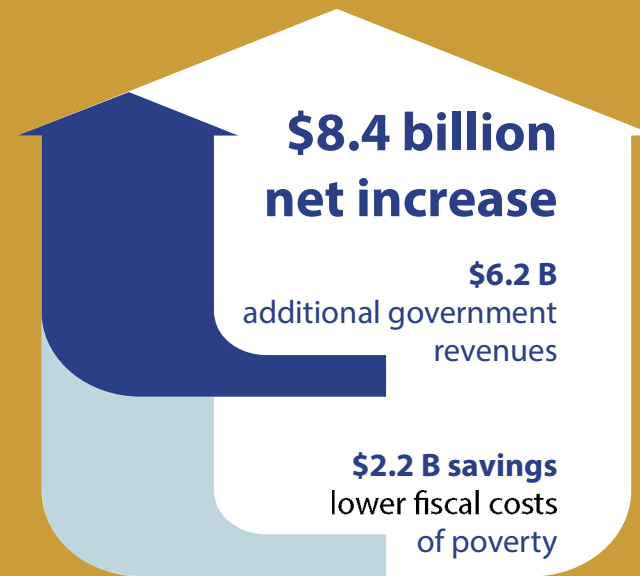


## What are Governments Losing

The poverty rate among Indigenous Canadians is almost 11 percentage points higher than the rate among the non-Indigenous population. There are high fiscal costs borne by all governments associated with any Canadian person living in poverty. Higher healthcare costs, social assistance spending and criminal justice expenditures are all associated with people living in poverty. Further, people with lower income generate fewer government revenues.

## Impact on Government Budgets

Closing the gaps would result in an increase in the budgets of all governments in Canada by an estimated \$8.4 billion annually.



## Closing the Poverty Rate Gap

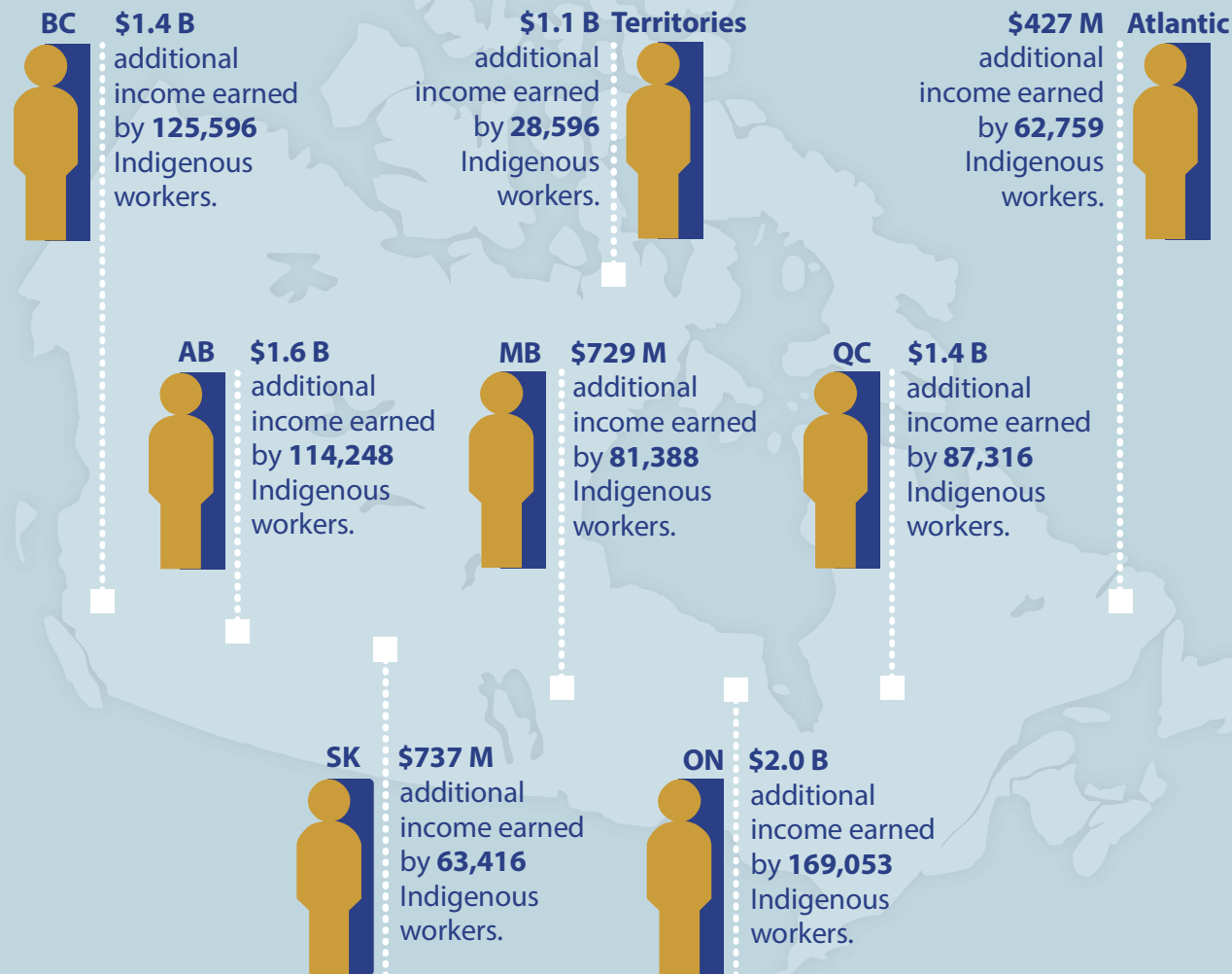
Closing the gap would mean that **173,234 fewer** Indigenous people will be living in poverty.



## Improving Indigenous Education and Training

If Indigenous peoples currently with employment income had the same education and training as non-Indigenous peoples, then the productivity of Indigenous labour would match the productivity of non-Indigenous labour. The average employment income among Indigenous peoples would then rise to match that of non-Indigenous Canadians.

Closing the education and training gaps would result in an additional \$8.5 billion in income earned annually by the estimated Indigenous workforce.



## Increasing Indigenous Employment Opportunities and Participation

If Indigenous peoples are given the same access to economic opportunities available to other Canadians (i.e. access to new jobs, equal conditions of employment, possibility to start a business), they will be more likely to fully participate in the labour force.

Matching economic outcomes by increasing the Indigenous employment rate would result in an estimated \$6.9 billion annually in additional employment income among 135,210 newly employed Indigenous peoples.



### Our Vision

The NAEDB envisions a vibrant Indigenous economy, where Indigenous peoples are economically self-sufficient and have achieved economic parity with Canadian society.



# An Investment in Canada's Future Prosperity

## Shifting Canadian Demographics

The number of Canadian seniors (age 65+) increased 14% between 2006 and 2011. This rate of growth was more than double the increase for the Canadian population as a whole. In 2011, seniors accounted for a record high of almost 15% of the Canadian population. This proportion has been steadily increasing since the 1960s.

In the 60s, 70s, and 80s, the Canadian population was comprised of at least two people in the 'entering the workforce' age group for every one person in the 'leaving the workforce' age group. In 2011, there were more Canadians in the 55 to 64 age group than in the 15-24 age group for the first time in the country's history. That means there are now fewer young people about to enter the labour force than those about to leave it. Our economic well-being is a product of labour productivity and the employment rate. With a growing senior demographic, the strategy to maintain the Canadian standard of living must focus on increasing labour productivity.

## Focus on the Productivity of the Indigenous Labour Force

In contrast to the Canadian population, the Indigenous population is young and growing fast. In 2011, 46% of the Indigenous population was under age 25 compared with 29% for the non-Indigenous population. The median age of the Indigenous population was 28 compared with 41 for the non-Indigenous population in 2011. The number of working age (25 to 64) Indigenous people increased 21% between 2006 and 2011 compared with only 5% growth among the non-Indigenous population.

The Indigenous labour force is currently underutilized. The key to Canada's future prosperity is increasing the productivity of the Indigenous labour force.

*This work was informed by a detailed Background and Methods Paper that is available on our website at [www.naedb-cndea.com](http://www.naedb-cndea.com).*



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